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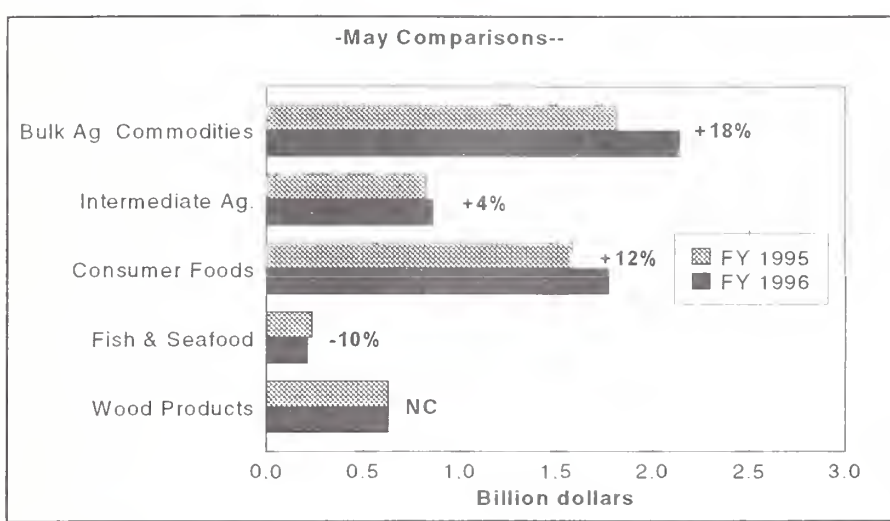
Circular Series

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Agricultural Trade Highlights

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Exports Rise 10 Percent in May



May trade statistics released by the Commerce Department on July 18 placed the value of U.S. *agricultural, fish, and forest product* exports at \$5.6 billion, a 10-percent increase over May 1995. Agricultural exports totaled \$4.8 billion, up 13 percent over year-ago levels. Bulk, intermediate, and consumer-oriented agricultural exports registered gains of 18, 4, and 12 percent, respectively. Fish and forest product exports totaled \$847 million in May, down 3 percent from the same month last year.

May shipments brought agricultural, fish, and forest product exports to \$48.2 billion for the first eight months of fiscal year 1996, 10 percent higher than the same period in fiscal year 1995. Agricultural exports were the best performers, up 12 percent over the same period last year at \$41.7 billion.

At \$2.1 billion in May, U.S. exports of *bulk agricultural commodities* increased 18 percent over the same month last year. A decline in cotton exports was more than offset by gains for coarse grains, wheat, and soybeans. Higher prices and strong foreign demand for coarse grains and wheat continue to support higher U.S.

export values for these commodities. During the first eight months of fiscal year 1996, bulk commodity exports totaled \$20.9 billion, up 22 percent from the same period last year. Stronger import demand from Asian Pac Rim countries underpins rising U.S. bulk exports, but rising sales to Mexico also are making a significant contribution.

U.S. exports of *intermediate agricultural products* totaled \$861 million in May, up 4 percent from May 1995. Gains for soybean meal, feeds and fodders, sweeteners, hides and skins, and live animals offset declines for animal fats, vegetable oils, wheat flour and planting seeds. So far this fiscal year, intermediate product exports are down 5 percent to \$7.4 billion. The slower pace in soybean oil shipments, due to reduced demand from China, accounts for much of the decline in this category. The only two products to record substantial gains to date in fiscal year 1996 are soybean meal and feeds and fodders.

Exports of U.S. *high-value, consumer-oriented products* totaled \$1.8 billion in May, up 12 percent from the same month last year. Thirteen of the 15 product

groups registered gains. Poultry meat and red meats achieved the largest export increases, but gains for tree nuts also were significant. During the first eight months of fiscal year 1996, consumer food exports reached \$13.4 billion--a 10 percent rise over the same period in fiscal year 1995--and are well positioned to set another record this year. Consumer food sales to Japan, our largest market, were up 18 percent largely due to increased beef sales.

At \$214 million in May, edible *fish and seafood* exports were down 10 percent from last year. Large declines in surimi and roe and urchin swamped small gains in canned salmon and crab meat. U.S. fish and seafood export value during the first 8 months of fiscal year 1996 was down 7 percent at \$1.7 billion. Shipments to Japan, which account for over 60 percent of U.S. seafood exports, were down 19 percent due to lower sales of salmon, crab and crab meat, and surimi.

U.S. *forest product* exports in May remained unchanged from last year at \$633 million. Gains for panel and other further-processed wood products, such as window frames and doors, offset sales declines for logs and lumber. Exports during the first 8 months of fiscal year 1996 were down 5 percent at \$4.7 billion. Exports to Japan, accounting for 45 percent of total U.S. exports, were down 6 percent.

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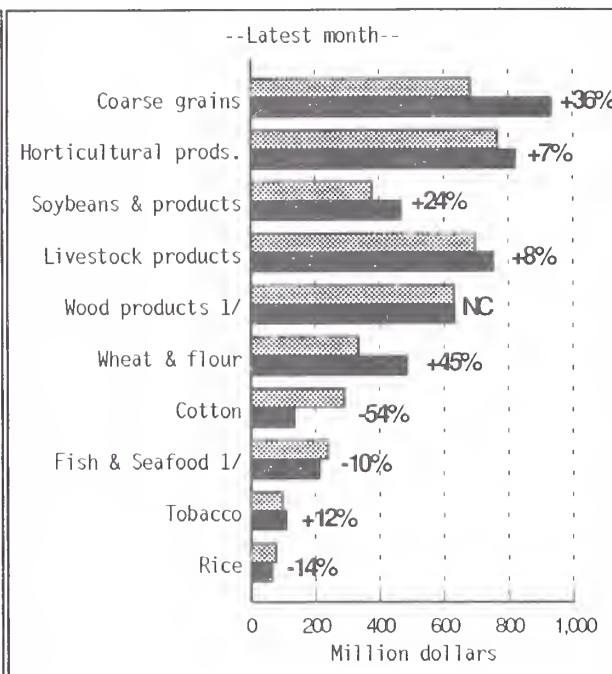
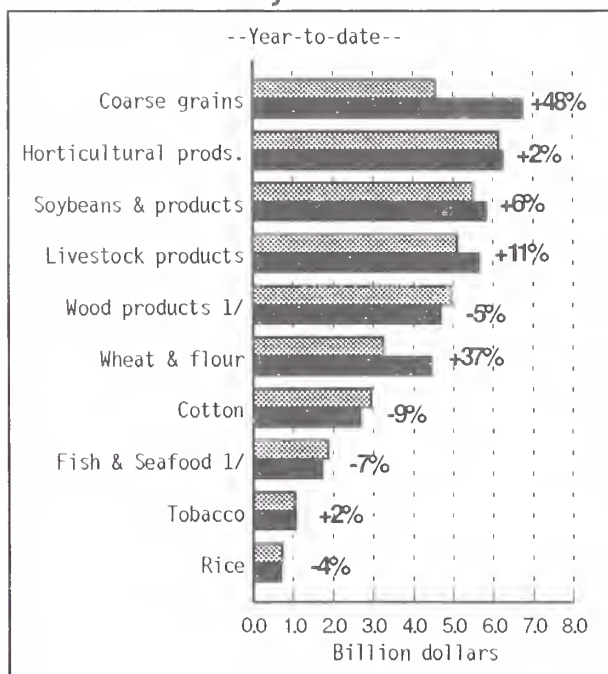
U.S. Agricultural, Fish, and Wood Export Summaries

October-May and Latest Month Comparisons

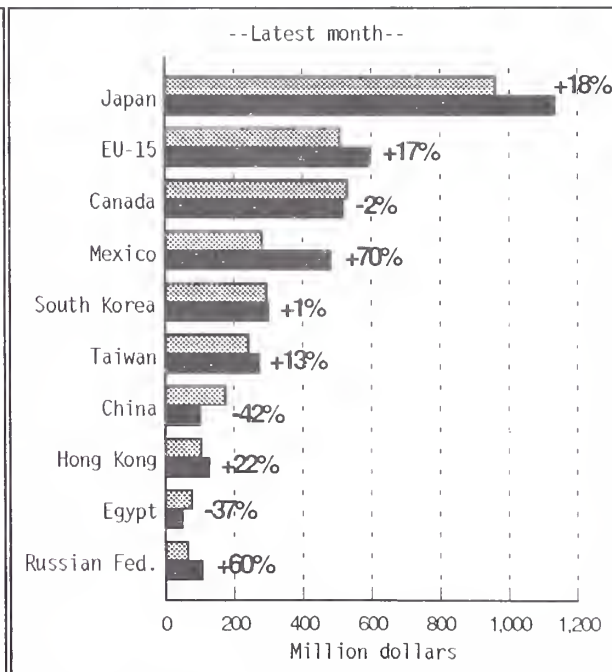
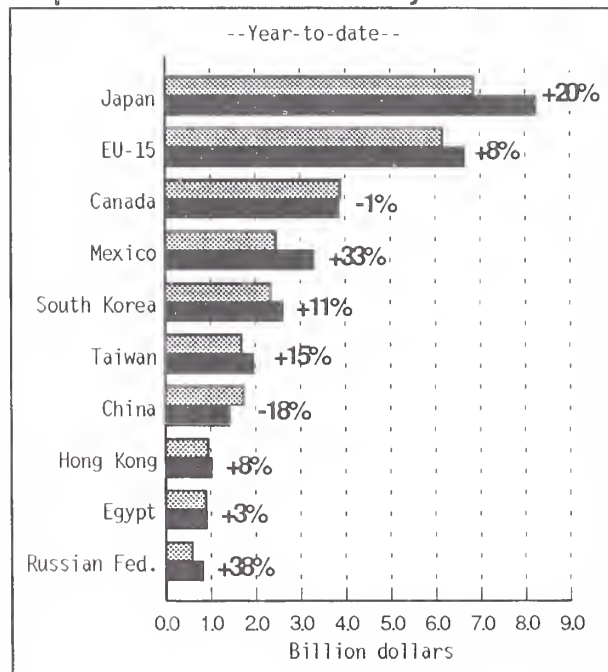
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Product Summary



Top Ten Markets Summary



Note. Percentages are computed as the change from a year ago.
1/ Not included in agricultural totals.

Feature Story: World Food Summit

The problem of global food security threatens to worsen significantly in the coming years, as population growth and changing consumption patterns increase demand, while uneven food distribution and environmental pressures threaten supplies, at least in certain countries and regions of the world. U.S. Secretary of Agriculture Dan Glickman stated at the 50th Anniversary Observance of the Food and Agriculture Organization of the United Nations (FAO) in Quebec City, Canada, in October 1995, that the "United States is committed to working toward programs and policies that recognize and respond to the food security needs of all nations." Our humanitarian interests, our economic interests, and our national security are at stake. Moreover, if the United States is not part of the solution, it will only end up dealing with the consequences on a scale that makes recent crises in Somalia, Ethiopia, and Rwanda pale by comparison.

Purpose of the World Food Summit

FAO is convening the World Food Summit in Rome, Italy, in November 1996 to renew the pledge made at the World Food Conference in 1974 for the eradication of hunger and malnutrition and the achievement of lasting food security for all. This pledge will be expressed through the signing of a policy statement and the adoption of a Plan of Action for implementation by all concerned parties: governments, international institutions, and all sectors of civil society. The Food Summit is intended to have a global perspective in dealing with all aspects of food security. It will address the root causes of world hunger and malnutrition, while incorporating regional considerations.

Countries have agreed that the Food Summit is not a conference about pledging new resources; is not aimed at creating new financial mechanisms, institutions, or bureaucracies; and will not reopen agreements reached in other fora. Rather, this FAO-sponsored event is designed to examine realistic approaches to food security. FAO member countries have agreed that the Food Summit's Plan of Action should produce results that are measurable and for which countries and institutions can be held accountable.

Summit Country Papers

Countries have been invited to produce papers that present national perspectives and policy priorities for the Summit. The U.S. Country Paper, which has recently been released, was a joint effort of all concerned agencies of the U.S. Government. The co-chairs of the Interagency Working Group responsible for overseeing U.S. Government preparations for the World Food Summit are Eugene Moos, Under Secretary for Farm and Foreign Agricultural Services, USDA; Timothy E. Wirth, Under Secretary for Global Affairs, U.S. Department of State; and J. Brian Atwood, Administrator, U.S. Agency for International Development. The following has been excerpted from the official U.S. Country Paper prepared for the Summit.

Executive Summary

Over the past two decades, the international community has taken great strides in reducing the numbers of chronically undernourished people in developing countries. Today, many countries can point to a number of battles won, particularly in terms of economic development and dramatic increases in agricultural production. Nonetheless, a staggering number of people --nearly 800 million--will go to bed hungry or malnourished each night. This is simply unacceptable.

For the United States, improving global food security is an essential key to world peace and the national security of our country. Food security is simply too basic and too fundamental to individual dignity and survival. The November 1996 World Food Summit at the Food and Agriculture Organization (FAO) in Rome will help focus the attention of world leaders on the devastating effects of chronic hunger and malnutrition.

The United States sees an urgent need for all countries to tackle the food security problem with renewed intensity. Accordingly, the United States is using the occasion of the World Food Summit to spur a comprehensive review of its policies and actions--past and present--as they relate to global and domestic food security. This paper reflects that review, as well as policies and actions the United States will pursue to help the world achieve food security in the future.

Food security exists when all people at all times have physical and economic access to sufficient food to meet

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their dietary needs for a productive and healthy life. Many interrelated factors influence the availability, access, and utilization of food, and thereby food security of individuals and countries. Apart from natural disasters, the following are root causes of food insecurity: war and civil strife; inappropriate national policies; inadequate development, transfer, and adaptation of agricultural and other research and technology; barriers to trade; environmental degradation; poverty; population growth; gender inequality; and poor health

The root causes of food insecurity listed above must be addressed by both individual countries and the international community as a whole. The current budget environment means that developing countries will have to take primary responsibility for improving their own food security with limited external assistance. Nevertheless, the United States intends to continue to play a major role in promoting food security around the world. To this end, the United States intends to:

1. Share its expertise with selected countries wishing to review and change their national policies to improve food security.
2. Enhance U. S. Government support for research and technology development in agriculture and related sectors, both at home and abroad.
3. Continue support for food security through the use of agricultural programs, development assistance, and food aid. Employ an integrated approach to sustainable development, with a strong emphasis on those countries that show a good-faith willingness to adopt necessary policy reforms.
4. Work with all countries to achieve freer trade and to assure the benefits are equitably realized. Urge all countries to open their markets in the interest of achieving greater stability and participation in the world market.
5. Continue support for international efforts to respond to and prevent humanitarian crises that create emergency food aid needs.
6. Continue efforts to encourage and facilitate implementation of food security-related actions adopted at recent international conferences or established in

recently agreed-to conventions.

7. Work within the multilateral system to enhance global approaches to food security.
8. Continue to work toward food security for all Americans.

Those countries that have demonstrated the most progress in achieving food security are those that have seriously pursued policy reform, macroeconomic stabilization, and structural adjustment, while focusing government activities on public goods investment and provision of safety nets. Such commitment and assumption of responsibility at the national level create a climate conducive to private and public external investment. Developed and developing countries alike should work in partnership to achieve this climate, taking into account the particular circumstances of each individual country. The United States stands ready to join in a new kind of partnership with all countries prepared to face the challenge of conquering world hunger and to take the difficult steps necessary to meet and surmount that challenge.

Commercial Trade

During the post-World War II era, the United States has been a leading force in making the world more food secure. The United States contributes to global food security by remaining a major supplier of agricultural commodities to the world market. U.S. agricultural exports for fiscal year 1996 are projected to reach a record level of \$60 billion. Imports are a major source of food in many countries and they are becoming increasingly important as agricultural trade has grown more rapidly than production in almost every year of this era. World agricultural trade is approaching \$250 billion and continues to grow. The U.S. share of this total is estimated at about 23 percent, up more than one-third since 1986.

The United States is committed to remaining a reliable supplier of food to its trading partners. With current grain supplies tight, the Secretary of Agriculture has taken several steps to ensure that more U.S. grain will be available to the market, announcing an early-release option for eligible land in the Conservation Reserve Program, and the authority to release wheat from the U.S.

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Food Security Commodity Reserve to meet humanitarian food aid needs. The Secretary has also reaffirmed that the U.S. Government will not restrict exports because of current high prices and tight supplies. The U.S. agricultural sector has traditionally borne the brunt of swings in global grain production. In times of global "surplus," the U.S. Government carried excess grain stocks which had a depressing effect on U.S. prices. When the world market was short, importers looked to the U.S. to meet their needs. In doing so in years of reduced U.S. grain harvests, domestic users (along with importers) of grain faced higher prices. For the U.S. livestock sector, the largest use sector for U.S. grains, tight supplies have regularly resulted in sharp cutbacks in U.S. feed use of grains. Keeping the U.S. market open has meant that domestic users compete for tight supplies at higher prices.

The U.S. market makes major adjustments in grain use for livestock feeding in periods of tight supply in order to maintain its role of a reliable supplier of grains to world markets. During 1995/96, higher prices for grain reduced US livestock feeding by 30 million tons from the previous year. This 18-percent reduction in use came as customers in Asia imported and consumed record volumes of grains. The U.S. reaction is in sharp contrast to actions of other exporters who are protecting domestic grain users from tight supplies by taxing exports to stem the outward flow. The feed use of grain in exporting countries is expected to be up for the third consecutive year, while importers are forced to seek alternate supplies from nontraditional exporters.

The United States as a major importer of food from developing countries, providing them with valuable foreign exchange. The European Union, Japan, and the United States are the world's largest importers of agricultural products by a large margin. For fiscal year 1996, U.S. agricultural imports are forecast at \$30.5 billion. Taken as a group, developing countries have historically supplied just over half of total U.S. agricultural imports. In fiscal 1996 imports from developing countries are forecast at \$16.4 billion or 54 percent of the total.

Six developing countries made the list of the top 10 suppliers of agricultural products to the United States in 1995. Third-ranked Mexico was followed by Indonesia, Brazil, Colombia, and Thailand. Guatemala placed tenth. If the list were expanded to include the top 20 suppliers,

the number of developing countries would jump to 15 and include Costa Rica, Ecuador, the Philippines, Chile, China, Malaysia, Argentina, India, and the Dominican Republic.

Many of the products the United States imports from developing countries are generally not grown domestically, such as coffee, cocoa, tea, rubber, bananas and tropical oils. However, the United States also imports large quantities of products identical or similar to those produced domestically. These include a wide assortment of fresh and processed fruits and vegetables, nursery products, sweeteners, live animals, and tobacco. As a member of the World Trade Organization (WTO), the United States applies its sanitary and phytosanitary regulations in a non-discriminatory fashion.

In addition, the United States has provided leadership in assuring a more open, fair, and efficient world trading system. This leadership has most recently been exhibited through efforts to bring agriculture more effectively under the multilateral rules in establishing a more effective dispute settlement mechanism for the new World Trade Organization. The North American Free Trade Agreement (the first regional trade agreement to include developing and developed countries), the Caribbean Basin Initiative, and U.S. participation in discussions of an Asia-Pacific Economic Community are indications of U.S. willingness to open its markets to developing countries and its recognition of the importance of free and open markets to ensuring improved availability and access to food by developing as well as developed countries.

The Uruguay Round Agreement and the new WTO represent important steps in reforming the global trading system, opening markets, and establishing new rules for fair trade. Trade stimulates competition, helps gear production to demand, increases employment, boosts investment, bolsters economic growth, and facilitates the broad sharing among countries of supply and demand shocks, thus reducing the variability of world markets prices.

Development Assistance

The United States has given over \$250 billion in non-military development assistance since 1962. In 1995, such assistance totaled over \$10 billion, of which nearly 80 percent was given in bilateral programs to more than

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90 countries. About \$1.35 billion worth of U.S. assistance was in the form of food aid, including \$500 million for emergency relief. The United States provides over half of global food aid in most years. In addition, the United States made major contributions to international agricultural research and international financial institutions which deal with agricultural and rural development programs.

The United States is the largest donor of food aid in the world. In total levels, the United States provides over half of all food aid, followed by the European Union and Canada. Food aid is administered under five separate programs:

-- Title I (concessional sales) is administered by the U.S. Department of Agriculture (USDA). Countries eligible for Title I agreements are less poor than those addressed in the other two titles. They are expected to graduate from concessional sales in a relatively short time; they will then be able to purchase agricultural commodities in the world's commercial markets. Title I countries buy U.S. farm products on credit, then sell them through public or private channels. Sales proceeds can be applied to various development efforts.

-- Title II (relief and development) is administered by USAID. USAID programs commodities under this Title through the World Food Program, international and local non-governmental organizations and private voluntary organizations, as well as on a government-to-government basis for emergencies. Commodities are used to support both development and emergency aid projects. Disaster preparedness programs blend the two ideas, reflecting the awareness that the devastating effects of disasters can be mitigated or prevented by efforts to anticipate and prepare for them. Title II commodities may be sold ("monetized") in order to provide local currencies to assist the development impact of food aid.

-- Title III (government-to-government grants) is also administered by USAID. Title III commodities provided to countries characterized as "least developed" may be used in direct feeding programs, including those that deal with special health and nutrition needs of children and mothers. These commodities may also be sold locally by the government of the recipient country; proceeds of the sale must be used in development programs that alleviate hunger, improve nutrition, and support various child

survival efforts, or used to promote policy reforms that lead to these objectives.

-- The Food for Progress Program is administered by the U.S. Department of Agriculture. Commodities are provided on a grant basis to developing countries that are emerging democracies and have made a commitment to introduce or expand free enterprise elements into their agricultural economy.

-- A Food Security Commodity Reserve of up to 4 million metric tons is authorized to meet humanitarian food needs in developing countries. In response to the current tight world market for grain, the President recently authorized release of up to 1.5 million metric tons of wheat from the Reserve.

Food aid in emergency situations and transitions from emergencies is provided primarily through Public Law 480 Title II. Also important is non-food emergency and refugee funding from the Migration and Refugee Assistance account and the no-year funding in the President's Emergency and Refugee Migration Assistance fund. The State Department provides annual contributions to major international organizations, including the U.N. High Commission for Refugees (UNHCR) and the International Committee of the Red Cross, on a multilateral basis for their worldwide humanitarian assistance activities. Depending on the situation and other sources of U.S. Government funding available, contributions from these accounts may be provided to the World Food Program to support refugee-related activities performed in conjunction with UNHCR under the provisions of their Memorandum of Understanding.

Finally, the United States has made major contributions to international agricultural research and international financial institutions that deal with agricultural and rural development programs. Specifically, it provided substantial resources to the Consultative Group on International Agricultural Research system (approximately \$28 million in 1995) and other collaborative international research. The United States has had a leadership role in the agricultural and rural development activities of the World Bank and other international financial institutions through their capital replenishments. U.S. appropriations for 1995 to international financial institutions like the World Bank,

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the European Bank for Reconstruction and Development, and the African Development Bank totaled approximately \$1.84 billion; 1996 appropriations stand at \$1.15 billion. The United States has in the past and will continue in the future to support the important work of these institutions in the battle to help improve world food security in the neediest countries of the world.

Uruguay Round of Multilateral Trade Negotiations

The United States urges all countries to open their markets in the interest of achieving greater stability and participation in the world market. The United States supports a freer and more open trading system in accordance with the Agreement on Agriculture reached at the Uruguay Round of Multilateral Trade Negotiations and urges countries to be reliable suppliers and refrain from taking unnecessary actions to provide short-term internal price stability at the expense of international market stability.

The Uruguay Round of Multilateral Trade Negotiations was the first round of General Agreement on Tariffs and Trade (GATT) negotiations to address comprehensive reform to improve international competition in agricultural trade. The United States and more than 120 other countries participated in the Round from 1986 through 1994. The United States reaffirms the commitments it made in the Uruguay Round and will faithfully carry them out. These include commitments to reduce trade-distorting subsidies and provide new market access opportunities. In addition, the United States views the Uruguay Round as a first step in the reform process to promote a more free and fair trading system for global agriculture.

The Agreement on Agriculture resulting from the Uruguay Round negotiations brings agricultural trade under the multilateral discipline of the GATT (now the World Trade Organization or WTO) for the first time. It entered into force on Jan. 1, 1995.

For market access, all countries were required to eliminate non-tariff barriers and replace them with tariffs, thus simplifying future negotiations to liberalize agricultural markets. Developed countries must also reduce each agricultural tariff by a minimum of 15 percent over 6 years, while developing countries must take minimum 10-percent reductions in each agricultural

tariff over 10 years. Within those same time frames, countries must make an overall average tariff reduction of 36 percent (developed countries) or 24 percent (developing countries). The agreement also required all countries to establish minimum access opportunities and maintain current access opportunities for products previously subject to non-tariff import barriers.

The Uruguay Round also resulted in the first meaningful discipline on agricultural export subsidies. Using the average levels of export subsidies in the 1986-90 period as a base, developed countries must reduce export subsidies by 21 percent in quantity terms and 36 percent in budgetary outlay terms. These two reduction requirements for developing countries are 14 percent and 24 percent, respectively. Products which did not receive export subsidies in the base period are not eligible for future subsidies. Bona fide food aid programs are exempt from reductions.

Prior to the Uruguay Round, national support for farmers was restricted only by countries' own budgets. Under the WTO, developed countries must reduce total trade-distorting support (from the 1986-88 average level) by 20 percent by the year 2000. Developing countries must reduce support by 13 percent by the year 2004. For all countries, certain specified types of domestic support, which were determined not to induce production or distort trade, are not subject to reduction.

The Uruguay Round is projected to increase global income and promote economic growth and development throughout the world through free and fair international trade. New opportunities for developing countries' agricultural and manufacturing producers to supply domestic and export markets will contribute to overall economic growth and, thus, food security.

For additional information on the U.S. position paper or the World Food Summit, please contact

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Country Profile: Saudi Arabia

Marketing opportunities for U.S. agricultural products in the Kingdom of Saudi Arabia are favorably impacted by an improved economy in 1996, the emergence of supermarkets as a key element in food retailing, and the rapid growth of fast food restaurants. With 50 percent of the Saudi population under 15 years of age, a high population growth rate, and continued exposure to international trends, demand for Western style foods is increasing rapidly. The expansion of Saudi Arabia's food processing industry is creating additional demand for imported agricultural inputs essential to local processors. U.S. agricultural exports to Saudi Arabia in calendar year 1995 were valued at a record \$520 million. Exports during the first five months of calendar 1996 were up 23 percent at \$240 million. Although the increase in export value for bulk agricultural commodities was the most marked, sales of intermediate and consumer-oriented agricultural products to Saudi Arabia also are up this year.

Saudi Arabia is a well-to-do oil-based economy with significant government controls over major economic activities. More than half of the country's gross domestic product (GDP) comes from the public sector. The petroleum industry accounts for 75 percent of budget revenues, 35 percent of GDP, and nearly all export revenues. Approximately 7 million foreign workers play an important role in the Saudi economy and constitute one-third of the country's population.

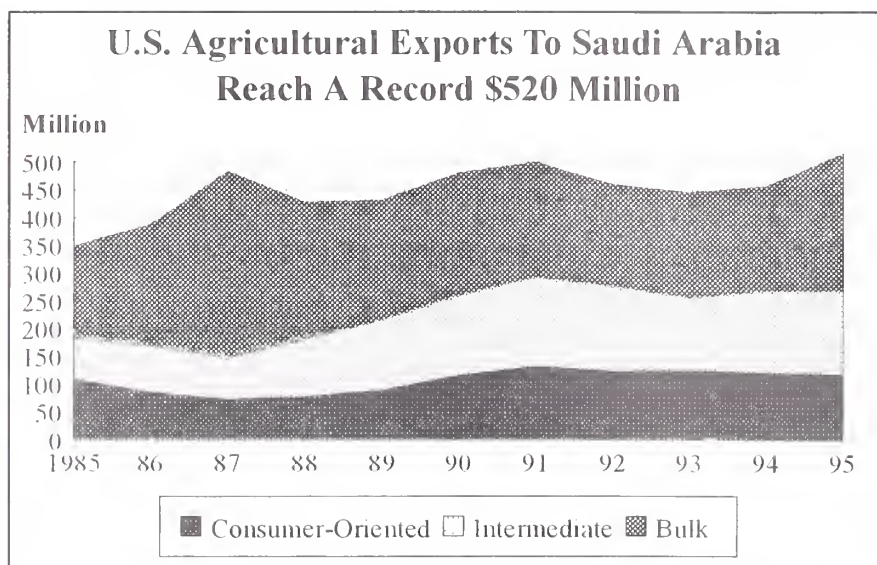
For more than a decade, Saudi Arabia's domestic and international outlays have outstripped its income. The Government has responded by cutting its foreign assistance and reining in its ambitious domestic programs. After 3 consecutive years of stagnant growth, Saudi Arabia's economy appears to be showing an improved performance in 1996. GDP is forecast to grow between 3 and 4 percent and inflation is likely to decline to about 1 percent. The economy will benefit from

a decision to maintain Government spending levels rather than continue with the austerity budget cuts experienced in recent years. Saudi Arabia is looking for an improvement in oil prices and will continue to promote non-oil exports, particularly to Gulf Cooperation Council countries which allow duty-free entry of Saudi goods.

Demographic Profile

The Saudi Arabian population is young, largely urban, and growing rapidly. The baby boom of the 1960's, 1970's and 1980's produced rapid population growth and dramatically altered the age distribution within the population. Approximately 60 percent of all Saudis are now teenage or younger. Saudis favor large families, and many Saudi men continue the practice of having multiple wives. All of the wives and children live under the same roof as one large family unit. The Saudi fertility rate is estimated at 6.5 births per woman. With a population growth rate of 3.7 percent, the Saudi population is projected to double over the next 20 years.

The role of Saudi women is changing, and this is having an impact on food imports. Traditionally, Saudi men have been the primary decision makers in the family and were responsible for all family purchases. The modernization of Saudi Arabia and increased exposure to Western ways has prompted an increased emphasis on female education. Although the literacy rate for Saudi women remains significantly below the male level, it has increased to nearly 50 percent. The expanded responsibility of the Saudi mother is evident in food shopping for the family. Impulse buying of imported food products is giving way to an increasingly sophisticated consumer who now compares price, quality, nutritional value, and packaging.



...Saudi Arabia

Roughly one-third of Saudi Arabia's 21 million population consists of expatriates. The vast majority come from Pakistan, the Philippines, India, Korea, Egypt, and other African and Asian countries. They live and work in Saudi Arabia to maximize their earnings potential. About 40,000 Americans and a smaller number of Europeans also reside in Saudi Arabia. The large number of countries represented in Saudi Arabia provides a broad ethnic base to the Saudi market and creates diversified export opportunities.

National Food Policy

Despite an arid climate, poor soil, and a scarcity of water, Saudi Arabia strives to achieve a high degree of food self-sufficiency. Before the development of oil industry, the Saudi economy was based on subsistence agriculture, mostly date cultivation and livestock production, and earnings received from Muslims around the world making pilgrimages to visit the religious sites in Saudi Arabia. In the past 20 years, the wealth generated from oil has been used to promote ambitious industrial and agricultural development programs. This has required sustained financial subsidization by the Government through the provision of free land, interest free credit, subsidized production inputs, and guaranteed price supports.

Although agricultural output has increased markedly, it has been achieved through exceptionally high Government budgetary outlays which the Saudi Government has determined it cannot maintain because of low oil export revenues. Concern also is expressed over the depletion of the country's limited water resources. Large-scale agricultural projects receive the bulk of their water irrigation requirements from non-replenishable underground reservoirs.

The situation is best illustrated by the case of wheat. Reductions in support

levels have induced a decline in Saudi Arabia's wheat crop from 4.1 million tons in 1991 to 1.3 million tons in 1996. Producers must now obtain prior approval for production and sales volumes at authorized support price levels. Government policy calls for managing wheat production at national consumption levels. The Saudi Government's purchase price for locally grown wheat was reduced from \$533 per ton in 1995 to \$400 per ton in 1996. Saudi Arabia subsidizes the production of animal feeds, poultry meat, eggs, milk, sheep, goats, fruits, and vegetables. It is a surplus producer and occasional exporter of dates, some vegetable crops, table eggs, and fresh dairy products. By paying farmers about \$13 for each tree planted, Saudi Arabia has become the world's largest producer and exporter of dates.

Trade Trends

Trade data of the Food and Agriculture Organization (FAO) of the United Nations show Saudi agricultural imports in calendar year 1994 were valued at approximately \$3 billion. Imports of consumer-oriented agricultural products accounted for 42 percent of total import value, with the balance fairly evenly split between bulk and intermediate products. Faced with disappointing earnings from petroleum exports and the need to cut back on budget expenditures, agricultural imports have fallen about 15 percent since 1988. The decline was shouldered by high-value consumer foods, with bulk and intermediate products recording modest growth in import levels. Despite the decline in imports, Saudi Arabia is ranked as the 12th largest importer of consumer-oriented agricultural products in the world according to FAO trade data.

The balance of trade between the United States and Saudi Arabia in agricultural products runs heavily in favor of the United States. Total U.S. agricultural

exports to Saudi Arabia in 1995 reached a record \$517 million, while imports from Saudi Arabia were valued at less than \$1 million. Although imports of consumer-oriented agricultural products from all sources have fallen markedly in recent years, import levels from the United States have remained firm. This has allowed the United States to increase its share of the Saudi import market for agricultural products from 12 percent to 15 percent.

Trade Policy

Generally speaking, Saudi Arabia's trade policies are liberal and free trade-oriented so that consumers can be assured of adequate food supplies at low prices. Import tariffs tend to be low. Duty free items include beef and mutton, (chilled or frozen), edible meat offals, sugar, rice, soybean meal, barley, sorghum, and live cows and sheep. Saudi Arabia imposes a 12 percent import duty on most products. Certain import items face a 20 percent import tariff which affords protection to local infant industries. Products facing this higher import tariff level include table eggs, poultry meat, confectionary products containing sugar, chocolate, food preparations containing cocoa, biscuits, macaroni, and spaghetti.

With few exceptions, there are no price controls, non-tariff import barriers, or restrictions on the availability of foreign exchange to finance imports. Imports of pork and alcoholic beverages, as well as items containing these products, are prohibited. An Islamic slaughter certificate in the country of origin and health inspection are required for imported meat products. Saudi Arabia is a cash market and long term credit for food imports is not sought.

Saudi Arabia is a member of the Gulf Cooperation Council (GCC). Founded in 1981, the GCC includes five other

...Saudi Arabia

Persian Gulf Countries: Bahrain, Kuwait, Oman, Qatar, and the United Arab Emirates. The GCC seeks to integrate the economies of the six countries. Each GCC member is permitted to establish its own trade laws. For trade among GCC member countries, food imports from other GCC countries that have a local value-added component of at least 40 percent and are manufactured by factories with at least 51 percent GCC national equity are exempt from import tariffs.

The Saudi Government seeks to diversify its food processing industry and expand its role as a regional exporter of processed foods. Exports will benefit from its economic dominance within the GCC market, duty free treatment afforded its products by other GCC members, and transport advantages over competing suppliers outside of the region. Export sales will be promoted on the basis of its "special" care given to the packaging of food items that are susceptible to spoilage under the extreme heat and humidity conditions experienced in the urban coastal areas of the Persian Gulf.

Health and Safety Regulations

The Saudi Government recently developed a new import inspection program called the International Conformity Certification Program (ICCP) which requires pre-shipment inspection and testing in the country of origin for 76 product categories, 11 of which deal with food and agricultural commodities. To date, ICCP product coverage for food and agricultural commodities has remained limited, despite several revisions to the original guidelines. The most recent announcement allows for sampling and testing of imported foods at the Ministry of Commerce or by the Saudi Arabian Standards Organization (SASO). Compliance with applicable quality standards set by SASO will result in the issuance of a Certificate of Conformity

and a consignment release order.

U.S. exporters must pay attention to SASO's shelf-life regulations which are drafted to assure food safety under desert conditions. The shelf-life time limits, extending from production to expiration date, for several processed food products were reduced during the past 2 to 3 years. In general, products must arrive in port with one-half of their shelf-life remaining or they can be prohibited entry. Although products may still be at optimal quality, once their shelf-life limit is reached they must be removed from retail shelves. Products which have been adversely affected by shorter shelf-life requirements include poultry meat, eggs, baby food, biscuits, some canned fruits and vegetables, dried and frozen fruit, fruit juices, and snack foods. For additional information on Saudi shelf-life requirements, you may contact:

Expiration Periods for Food Products
Standardization and Metrology
Organization For GCC Countries
P.O. Box 3437
Riyadh 11471
Tel: 966-1-452-0000
Fax: 966-1-452-0167

Packaged food imports must also adhere to SASO's labeling requirements. Required labeling information must be stated in Arabic covering product brand name, net weight in metric units, a listing of ingredients and additives, the name and address of the manufacturer or distributor, country of origin, and production and expiration dates.

In 1990, the U.S. Government began coordinating standards assistance to SASO, including a technical advisor based in Riyadh. This assistance has yielded greater transparency and increased opportunities for U.S. exporters to comment on draft Saudi standards. Saudi Arabia is being encouraged to relax

its standards and testing procedures, in line with Codex Alimentarius or other recognized international standards.

Food Import System

Except for wheat and barley, which are imported exclusively by the government agency, Grain Silos and Flour Mills Organization, Saudi Arabia's food imports are in the hands of the private sector. Imported consumer-oriented food products are retailed through Saudi Arabia's supermarket chains. The small to mid-sized chains obtain the majority of their imported foods through independent importers/wholesalers who have the financial capacity to purchase in volume. Many of the larger chains also import directly from foreign suppliers. Large importers/distributors tend to operate under sole agency agreements and some have developed their own private label. The largest importer of consumer oriented agricultural products in Saudi Arabia is Basamah Trading Company. This company imports hundreds of products from manufacturers in the United States under its own private label, "Goody".

Retail Food Distribution Network

Saudi Arabia's retail marketing system is rapidly modernizing. The traditional bakala (corner grocer store) is being replaced by modern supermarkets. Bakalas as well as the larger mini markets handle mostly bulk or basic food items and tend to be patronized by lower-income groups. Bargaining over price is the norm at these outlets. Supermarkets were developed in the late 1970's to serve the food shopping needs of Saudi Arabia's expatriates from western countries. Initially, many Saudis resisted shopping in supermarkets because of a belief that their set prices resulted in higher food costs. This misconception was

...Saudi Arabia

gradually changed through aggressive supermarket marketing campaigns

In the early 1980's, only men shopped at supermarkets. Going to the supermarket has evolved into a family outing which today represents a major form of family entertainment. Products and services offered by supermarkets include mini cafeterias, delicatessens, bakeries, clothing and appliances, film developing, and recreation areas for children

At present, more than 30 percent of all retail food sales are handled by supermarkets compared to only 10 percent in the mid-1980's. Azizia-Panda is the largest supermarket chain in Saudi Arabia consisting of 32 stores. Approximately half of all products sold in Azizia Panda stores come from the United States. Tamimi Safeway was the first American-managed supermarket chain in Saudi Arabia. The partnership with Safeway of the United States was dissolved in 1985 but Tamimi Safeway continues to merchandise Safeway brand foods in its stores. Safestway is one of the more upscale supermarkets in Saudi Arabia. Both Safestway and Tamimi Safeway carry a wide selection of internationally-known brands. Euromarche was established by a French group in 1981 but is now Saudi managed. Its outlets are considered superstores because of their size. Its sales strategy is based on offering reasonable prices through direct volume purchasing from both local and foreign suppliers. Al Raya, Al Fao, Sarawat, and Bin Daewood are other important supermarket chains.

Best Export Prospects

Poultry: U.S. poultry meat exports to Saudi Arabia reached a record \$22.6 million in calendar year 1995. Near-term sales potential is excellent, particularly to a rapidly growing fast food sector and institutional users. Approximately 10 to

12 percent of all poultry meat imports are supplied by the United States. Saudi frozen broiler meat imports in 1996 are estimated at 298,000 tons, the same as a year earlier. Domestic production is expanding but growth in consumption will prevent imports in 1997 from falling below 250,000 tons.

Fast food franchises report a marked drop in sales of beef products following the outbreak of Bovine Spongiform Encephalopathy (BSE) or mad cow disease in the United Kingdom. Chains are promoting alternative foods, with outlets offering chicken registering sharp increases in sales. Chicken usually is included in most restaurant menus since it is a staple ingredient in the Saudi diet.

Red Meat: On June 19, 1996, Saudi Arabia's Ministry of Commerce banned imports of Irish beef and beef derivatives due to an outbreak of BSE. Ireland had been the leading supplier of beef to Saudi Arabia followed by the Netherlands and the United States. Because of BSE, Saudi Arabia has banned imports of beef, beef derivatives, and live animals from the United Kingdom, France, Switzerland, and Portugal. Saudi meat importers reportedly are showing increased interest in U.S. supplies to offset the unavailability from alternative sources. U.S. red meat is marketed in Saudi Arabia to higher-income consumers as well as to the hotel and restaurant trade.

Soybean Meal and Coarse Grains: The outlook for soybean meal and coarse grain (corn and barley) exports to Saudi Arabia is excellent. The Saudi Government is providing generous subsidies to local poultry producers in an effort to spur domestic output. The two largest producers, accounting for 60 percent of national poultry production, are completing ambitious expansion programs. This is resulting in a sharp

increase in import demand for protein meal and grain ingredients necessary for the preparation of feed rations. U.S. exports of soybean meal to Saudi Arabia during the first five months of 1996 were valued at \$38 million, up 75 percent over the same period a year earlier. U.S. corn export value to Saudi Arabia during January to May 1996 was up 28 percent at \$54 million, while barley exports during this 5-month period exceed \$40 million compared to only \$16 million a year earlier.

Fresh and Processed Fruits and Vegetables

Saudi traders import a wide variety of fresh fruit. Modern supermarkets in Saudi Arabia compare favorably with those in the United States. They merchandise a wide selection of fruits and vegetables, and their shelves are stocked with both major brands and private label canned goods. With Saudi fruit production and variety somewhat limited, consumers are dependent on imports. Every supermarket has a frozen foods section and sales of frozen vegetables, particularly potato products, are growing. U.S. exporters capable of supplying a diversified range of product under private label will find the Saudi market attractive. Importers often request assistance in making contact with an exporter that can become a "one source" supplier.

Snacks, Prepared Foods, and Beverages

Snack foods, cookies, cake mixes, pancake mix, etc., are very popular and major U.S. brands are found in the Saudi market. Although domestic snack food manufacturers are expanding their operations to better serve local and regional consumers, they offer a limited selection of items. As this sector expands, it is creating a growing demand for food ingredient inputs into local production processes. Annual Saudi beverage sales approach

...Saudi Arabia

\$1 billion, with carbonated soft drinks accounting for 50 percent of local output. Import demand is growing for an assortment of juice concentrates and beverage bases needed by the domestic industry.

Dairy Products: U.S. exports of dairy products to Saudi Arabia in calendar year 1995 totaled a record \$10.7 million. U.S. dairy exports during the first 5 months of 1996 were up more than 100 percent over the same period in 1995. Almost all cheese marketed in Saudi Arabia is imported. U.S. cheese and soft ice cream concentrates have good sales potential in the Saudi market.

Vegetable Oil: The United States is Saudi Arabia's largest supplier of vegetable oil, enjoying an import market share of approximately 40 percent. Nearly all U.S. vegetable oil sales to Saudi Arabia consist of corn oil. U.S. corn oil shipments to Saudi Arabia in calendar year 1995 were valued at \$52 million, 80 percent consisting of crude oil and the balance refined product.

Rice: Despite the lack of domestic production, rice plays a major role in the Saudi diet. U.S. rice exports to Saudi Arabia in 1995 were valued at \$82 million, accounting for about one-third of Saudi Arabia's rice imports.

Saudi Arabian Importers

A listing of Saudi Arabian importers of consumer-ready agricultural products follows. *(NOTE: This partial listing is furnished with the understanding that no discrimination is intended and no guarantee of reliability is implied.)*

Al Azizia Markets Co.
P.O. Box 56039
Riyadh 11554
Tel. (011-966-1) 482-7055
Fax (011-966-1) 482-9246

Al Fao Foodstuff and Commodities Ltd.
P.O. Box 13287
Jeddah 21493
Tel. (011-966-2) 660-7582
Fax (011-966-2) 665-2133

Giant Stores
P.O. Box 4822
Dammam 31412
Tel. (011-966-3) 838-1387
Fax (011-966-3) 850-0954

Sarawat (Arabian Stores Co. Ltd.)
P.O. Box 5967
Jeddah 21432
Tel. (011-966-2) 648-1286
Fax. (011-966-2) 647-6146

Tamimi Food Markets Ltd (Safeway)
P.O. Box 146
Al Khobar 31932
Tel. (011-966-3) 857-4050
Fax (011-966-3) 857-1592

Tamimi & Fouad & Al Emam Food Co.
P.O. Box 5636
Jeddah 21432
Tel. (011-966-2) 669-0118
Fax (011-966-2) 660-6968

Abbar & Zainy Frozen Foods Division
P.O. Box 6319
Jeddah 21442
Tel. (011-966-2) 682-7325
Fax (011-966-2) 682-6576

Abdul Kadir Al-Muhaidib & Sons Co.
P.O. Box 2063
Riyadh 11451
Tel. (011-966-1) 405-9966
Fax (011-966-1) 401-2451

Abdullatif Sulaiman Alnaisr Sons Co.
P.O. Box 67
Al Khobar 31952
Tel. (011-966-3) 895-3135
Fax (011-966-3) 894-4931

Al Bab Trading Co. Ltd.
P.O. Box 4228

Al Khobar 31952
Tel. (011-966-3) 899-0103
Fax (011-966-3) 898-2765

Al Zahid Trading and Catering Corp.
P.O. Box 438
Dharian Airport 31932
Tel. (011-966-3) 895-5005
Fax (011-966-3) 895-0948

Al-Jehni Trading Est.
P.O. Box 1741
Dammam 31441
Tel. (011-966-3) 834-6461
Fax (011-966-3) 832-4503

Al-Namlah & Co. Ltd.
P.O. Box 40737
Jeddah 21511
Tel. (011-966-2) 644-7422
Fax (011-966-2) 643-9067

Al-Zamil Food Industries Ltd.
P.O. Box 240
Jubail 31951
Tel. (011-966-3) 341-5235
Fax (011-966-3) 341-8235

Arabian Food Supplies
P.O. Box 53305
Riyadh 11583
Tel. (011-966-1) 462-6842
Fax (011-966-1) 463-2226

Basamah Trading Company
P.O. Box 427
Jeddah 21411
Tel. (011-966-2) 660-6668
Fax (011-966-2) 660-1544

This report was prepared from post reporting submitted by FAS staff in Saudi Arabia.

*For more information, contact:
David Rosenbloom at (202) 720-2136*

US Exports of Agricultural, Fish & Wood Products to SAUDI ARABIA

Calendar Years 1991 to 1996 and Year-to-Date Comparisons (\$1,000)

Product	Calendar Years					January-May		%
	1991	1992	1993	1994	1995	1995	1996	Chg
Bulk Agricultural Total	208,243	183,652	189,659	188,700	248,280	90,791	124,743	37.4%
Wheat	204	202	171	9	16	0	32	NA
Coarse Grains	129,119	77,987	90,118	98,214	160,815	58,677	94,435	60.9%
Rice	75,606	101,911	96,620	87,290	82,073	30,511	28,849	-5.4%
Soybeans	0	5	31	38	0	0	0	NA
Cotton	120	133	68	144	2,761 *	277	1,006	263.2%
Tobacco	0	0	0	0	0	0	0	NA
Pulses	1,537	1,577	1,284	846	1,121	447	357	-20.1%
Peanuts	972	905	834	713	903	737	31	-95.8%
Other Bulk Commodities	685	932	533	1,446	591	142	32	-77.5%
Intermediate Agricultural Total	161,226 *	154,259	131,997	149,032	151,064	57,697	67,821	17.5%
Wheat Flour	9	0	0	0	42	30	21	-30.0%
Soybean Meal	30,478	37,481	56,406 *	44,657	54,302	21,930	38,377	75.0%
Soybean Oil	13	105	47	336	1,211	1,131	0	-100.0%
Other Vegetable Oils	45,812	39,342	37,193	59,243 *	56,983	19,525	14,594	-25.3%
Feeds & Fodders (excl. pet foods)	221	629	650	516	839	108	391	262.0%
Live Animals	1,100	3,129	5,214	5,289 *	2,043	934	631	-32.4%
Hides & Skins	104	10	0	7	0	0	0	NA
Animal Fats	508	8	24	94	1,606 *	92	611	564.1%
Planting Seeds	62,421 *	53,217	13,926	16,137	11,151	4,843	3,005	-38.0%
Sugars, Sweeteners & Bever. Bases	17,688	17,124	15,045	20,517 *	19,395	8,091	9,059	12.0%
Other Intermediate Products	2,871	3,212	3,491	2,234	3,493	1,012	1,132	11.9%
Consumer-Oriented Agricultural Total	131,068	121,996	124,278	119,877	118,187	46,475	47,429	2.1%
Snack Foods (excluding nuts)	12,879 *	11,395	12,530	10,481	10,002	3,824	4,623	20.9%
Breakfast Cereals & Pancake Mix	10,176	8,854	12,531 *	9,311	9,572	3,703	2,824	-23.7%
Red Meats, Chilled/Frozen	8,227	7,443	6,278	4,807	5,257	2,575	2,335	-9.3%
Red Meats, Prepared/Preserved	2,041	1,416	1,524	2,148	2,392	950	1,559	64.1%
Poultry Meat	17,233	16,299	17,801	19,399	22,585 *	12,386	10,401	-16.0%
Dairy Products	4,765	9,615	7,329	5,536	10,725 *	3,201	6,563	105.0%
Eggs & Products	113	329	111	294	117	13	7	-46.2%
Fresh Fruit	17,929	8,660	12,219	14,170	8,816	2,312	804	-65.2%
Fresh Vegetables	124	196	164	348	436	311	80	-74.3%
Processed Fruit & Vegetables	23,806 *	23,173	22,482	18,532	18,879	7,311	5,757	-21.3%
Fruit & Vegetable Juices	2,394	2,261	1,820	1,566	1,525	618	513	-17.0%
Tree Nuts	7,035	7,625	5,764	7,830	6,284	1,319	3,137	137.8%
Wine and Beer	39	73	175	54	107	65	0	-100.0%
Nursery Products & Cut Flowers	329	557	681	389	406	370	60	-83.8%
Pet Foods, Dog/Cat	147	461	231	253	187	64	300	368.8%
Other Consumer-Oriented Products	23,828	23,638	22,638	24,760	20,895	7,452	8,467	13.6%
Wood Products Total	35,264	40,459	25,214	12,874	24,088	9,133	11,138	22.0%
Logs	754	74	708	635	1,218 *	581	686	18.1%
Lumber	15,305	11,613	10,737	6,246	13,547	4,872	7,579	55.6%
Plywood & Panel Products	3,267	4,912	4,763	1,631	4,254	1,645	2,005	21.9%
Other Wood Products	15,939	23,860	9,005	4,362	5,067	2,036	867	-57.4%
Fish & Seafood Products Total (Edible)	692	1,736	1,292	1,625	1,545	780	411	-47.3%
Salmon, Whole/Eviscerated	91	697 *	257	588	375	198	0	-100.0%
Salmon, Canned	17	59	10	6	0	0	0	NA
Crab & Crabmeat	9	34	83	0	0	0	0	NA
Surimi (fish paste)	N/A	0	0	0	0	0	0	NA
Roe & Urchin	0	0	6	0	0	0	0	NA
Other Edible Fish & Seafood Products	574	946	936	1,032	1,169	582	411	-29.4%
Agricultural Product Total	500,537	459,907	445,934	457,609	517,531 *	194,963	239,993	23.1%
Agricultural, Fish & Wood Product Total	536,493	502,102	472,440	472,108	543,164	204,876	251,542	22.8%

Note (*) Highest export level since at least 1970; N/A = not available, NA = not applicable.

Source: Ernest Carter, tel. 720-2922, TEAD/ITP/FAS

Trade Event:

Central America Marketing Seminars

"WHEN QUALITY COUNTS" - USDA ORGANIZES MARKETING SEMINARS TO EXPAND EXPORTS OF U.S. CONSUMER-READY FOOD PRODUCTS TO CENTRAL AMERICA

U.S. exports of consumer-oriented agricultural products to the Central American region reached a record \$170 million in calendar year 1995. U.S. sales of consumer-ready foods to Central America have doubled since the mid-1980's. In recent years, however, the rate of growth in exports has slowed somewhat. USDA has identified inadequacies in local handling and merchandising practices, which have not kept pace with consumer expectations and product requirements, as a key constraint to the U.S. trade's market development efforts. In an attempt to address these infrastructure issues and promote growth in import demand for U.S. consumer-ready foods, USDA is sponsoring a series of two day marketing seminars in Central America. These seminars will be given in Guatemala, El Salvador, Nicaragua, and Panama. The seminars are being organized by the Trade Investment Program of the International Cooperation and Development program area of the Foreign Agricultural Service.

Using the theme "When Quality Counts," a team of specialists consisting of a grocery handling specialist, a grocery merchandising specialist, and two USDA marketing program specialists will provide up-to-date information on how retailers and distributors of consumer-ready products can maintain the quality and appearance of imported U.S. products.

The seminars are designed to educate importers, wholesalers/distributors, and retail grocers on the effective handling and merchandising of U.S. consumer ready foods. Many products with market potential, such as frozen and chilled products, are new to the region. Often, local warehousing and storage facilities are not aware of up-to-date climate control mechanisms and proper storage and stacking methods. At the retail level, marketing, shelf management, display presentation, and space allocation are not practiced to the same degree as they are in more developed markets. As a result, high-value agricultural imports often are damaged, suffer from a drop in quality, or are not presented effectively in order to attract purchasers.

Another factor limiting the sale of U.S. consumer-ready

foods to the region is the unavailability of credit from regional financial institutions and U.S. exporters. U.S. firms have tended to be wary of extending credit to Central American importers, while local banks are not always able to provide credit at interest rates which provide adequate profit margins for importing companies.

On August 17th, the team of specialists will embark on a four country tour beginning with a two-day seminar in Guatemala City, Guatemala, on August 19-20. Additional seminars will be conducted as follows: San Salvador, El Salvador, August 22-23; Managua, Nicaragua, August 26-27; and Panama City, Panama, August 29-30.

During the first day of the seminar, the team's handling specialist, Don Wilson, Managing Principal of the Wilson Group consulting firm of Waxahachie, Texas, will give presentations on handling consumer-ready food items. He will provide technical information and present a number of case studies to illustrate the proper handling and storage of consumer-ready foods. Wilson will focus on such topics as handling product between the warehouse and supermarket, proper handling during transportation, and the correct use of in-store equipment (freezers, refrigerators, etc.).

The first day of the seminar series also will deal with import financing options and USDA programs available for importing U.S. consumer-ready food products. Penny Stevenson of the USDA's Commodity Credit Corporation Operations Division (CCCOD) will conduct a seminar detailing GSM 102/103 credit guarantee programs. She will also introduce participants to CCCOD's newest export credit guarantee program--the Supplier Credit Guarantee Program. This new program provides credit guarantees to U.S. exporters in order to expand, develop, or maintain U.S. market share in overseas markets. As a result of this seminar series, Central America will be the first region to be introduced to this promising new credit program. Additionally, representatives from the Central American Bank for Economic Integration (CABEI) will participate in the seminars in Guatemala, El Salvador, and Nicaragua. They will provide information regarding

...Marketing Seminars

the Bank's operations and explain its participation in USDA's GSM credit programs.

The second day of the seminar will feature presentations on grocery handling. Carlos Torres, President of Supermercados Selectos of Puerto Rico and the team's grocery merchandising specialist, will provide information on inventory control, space allocation, shelf management, and merchandising display. Torres also will demonstrate techniques (including point-of-purchase promotion) for improving supermarket sales of fresh, chilled, frozen and shelf-stable prepared foods. The final portion of the seminars will be presented by local FAS staff who will describe USDA in-store promotion programs available to retail supermarket operators interested in advertising and promoting U.S. consumer-food products.

Seminar participants will have the option of selecting one of two groups that will tour local supermarkets. The first group, headed by Carlos Torres, will critique aspects of

a supermarket's grocery merchandising. The second group, headed by Don Wilson, will focus on grocery handling procedures and facilities during a visit to a separate supermarket.

For additional information regarding the Central American Marketing Seminars, please contact:

Clay Hamilton

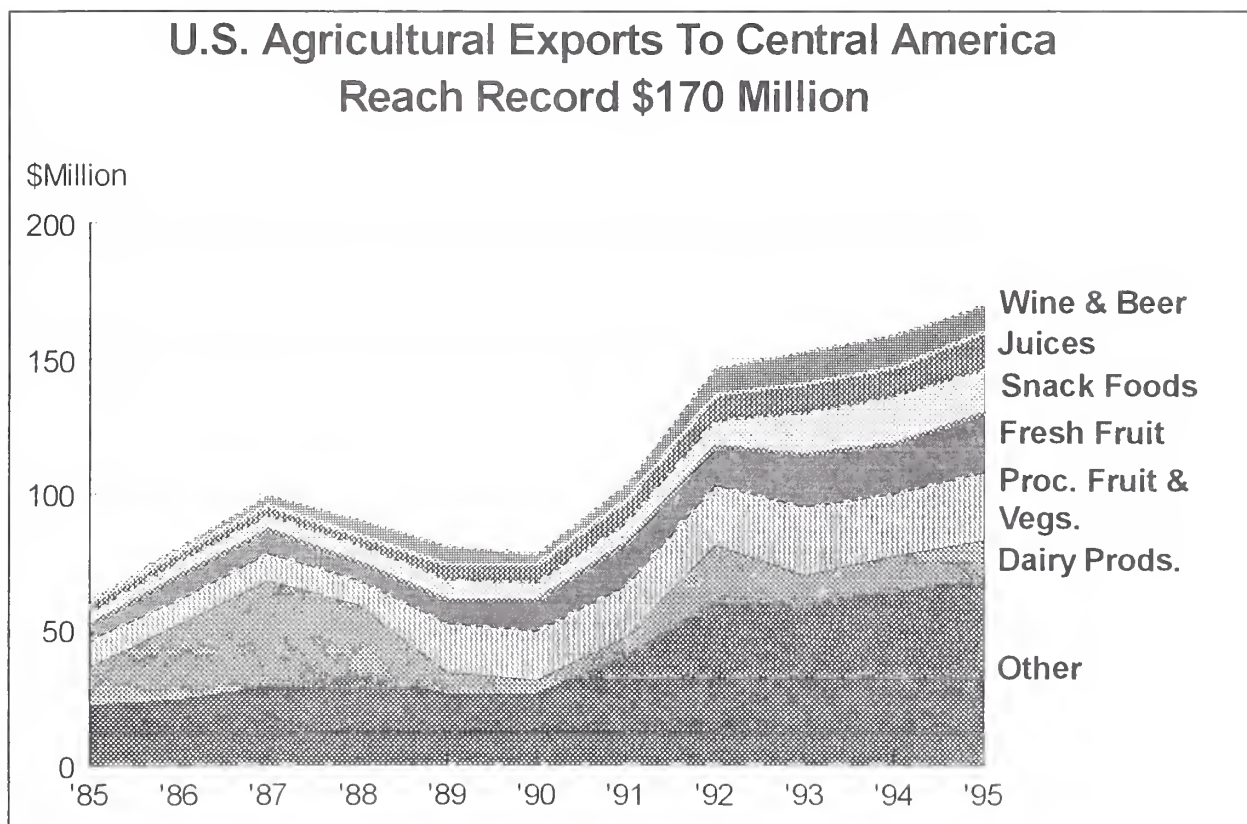
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Market Updates

Korean Chemical Decision Could Hamper U.S. Table Grape Exports

Korea's Ministry of Health and Welfare announced that the use of chemical sodium metabisulfite on imported grapes is not permitted under its Food Additive Code. Grape shipments arriving after August 5, 1996, will be rejected if sodium metabisulfite or sulfur dioxide residue is found to be present. The U.S. Agricultural Minister-Counselor's office in Seoul has informed the Korean Government that sodium metabisulfite is defined by the Food and Drug Administration as a safe substance and that a tolerance level for sulfur dioxide of 10 parts per million is maintained by the United States and a number of other countries. U.S. table grape exporters routinely place pads containing the chemical in shipping cartons. As the compound breaks down, it produces sulfur dioxide gas, which helps discourage mold and preserve freshness.

Korea opened its market to imported grapes on January 1, 1996, as required under the terms of the Uruguay Round agreement. The market holds excellent potential for U.S. grapes. As Korea does have a small, inefficient, high-cost domestic grape industry, there have been longstanding concerns that the Government might seek to disrupt or discourage imports.

China Displaces U.S. In Japan's Rice Tender Purchase

China captured the majority of contracts (2,506 tons or 52 percent) awarded under Japan's first 1996 (April-March) minimum access tender. Although the tender purchase was only for 5,000 tons, concern exists that further purchases totaling 500,000 tons may follow a similar pattern. Last year, U.S. exporters won a majority of these semi-private simultaneous buy-sell tenders en route to achieving a 48-percent share of the Japanese rice import market. The United States will supply 1,202 tons or 25 percent of the tender purchase.

Singapore's Import Ban on U.S. Poultry Postponed, U.S. Poultry Exports Up Markedly This Year

Effective September 15, 1996, all frozen meat and poultry and meat/poultry products exported to Singapore must have a statement which says "the product was frozen under USDA supervision." To obtain this statement, the product must be frozen on-site at the place of production, or the product must be frozen at an off-premise freezing facility in accordance with a quality assurance program. For meat and poultry frozen at off-premise freezing facilities, plant management must provide a completed "Off-Premise Freezing Quality Control Certificate for Product Shipped to Singapore," an industry certification. Questions regarding this requirement should be directed to the Export Coordination Division of USDA's Food Safety and Inspection Service at (202) 501-6022.

U.S. poultry exports to Singapore over the first five months of 1996 reached 10,447 tons, up from 9,761 tons during the same 5-month period a year earlier. Overall, U.S. poultry exports continue to soar. U.S. exports of fresh and frozen chicken, turkey, and specialty offals reached a record \$940 million during the first 5 months of calendar 1996, up 26 percent over last year. Exports of chicken cuts and offals continue to dominate the market, with \$766 million in sales, followed by turkey cuts and offals at \$63 million, and prepared poultry meat and sausages at \$60 million. Russia continues to be the number one export market. Total January-May 1996 sales to the Russian Federation were up 38 percent at \$358 million. U.S. direct sales to China jumped from \$17 million to \$34 million during the same period, while sales to Hong Kong, which are largely re-exported to China, registered steady growth from \$180 million to \$206 million. Sales to Mexico were up 12 percent at \$65 million in the January-May period.

...Market Updates

China Cancels More U.S. Wheat Purchases

In recent weeks, China's state buying agency, COFCO, has continued to cancel U.S. wheat sales. Total purchase cancellations for delivery during marketing year 1996/97 now total approximately 1.4 million tons, representing 75 percent of its new-crop U.S. purchases to date. The contract cancellations have helped to depress U.S. wheat prices to their lowest level in the past year. With a substantial drop in world wheat prices and prospects of a large Chinese crop, concern exists that the remaining contracted sales estimated at 68,000 tons may be in jeopardy. The purchase cancellations are due in part to concern over the fungus disease TCK and in part due to economics.

Jordan's Wheat Imports Impacted by Rising Bread Prices

U.S. wheat sales to Jordan may suffer due to a decline in consumption prompted by a threefold increase in local bread prices. Government-controlled bread prices will be hiked in an effort to prevent local wheat products from being smuggled out of the country and to prevent bread from being used as livestock feed. The Jordanian Prime Minister has promised compensation to consumers for the increased bread prices through a cost of living allowance. Jordan's annual wheat imports usually run close to 700,000 tons, with the U.S. supplying more than 50 percent of the total import quantity.

Romania No Longer a Factor in the Wheat Export Market

Romania's Minister of Agriculture recently stated that Romania will cease exporting wheat, at least until production can be properly estimated. Because of harsh winter weather conditions, Romania's current wheat crop will reach less than half of last year's output. Romania played a significant role as a wheat exporter during the tight global supply situation of last year. In 1995/96 Romanian wheat exports totaled 1.2 million tons. It was the chief competitor for the United States in several key markets, including Tunisia, Jordan, and Lebanon.

EU Issues Fruit Licensing Requirements

The European Union's Management Committee for Fruits and Vegetables has adopted a regulation imposing an import license requirement for the following products: apples, pears, table grapes, lemons, oranges, Clementines, mandarins, and tomatoes. Import licenses will be required on a year-round basis for apples, lemons, and tomatoes, and on a seasonal basis for the remaining products. The licenses reportedly will be automatically and immediately issued upon request and will be valid for a 30 day period. Importers will be free to make a one-time change in the origin of the fruit covered by the license.

The stated justification for the licensing measure is to enable the EU to better monitor import volumes. While the EU is within its GATT rights to impose an automatic import licensing regime for sensitive agricultural commodities, provided the regime does not discriminate against a particular exporting country or distort trade, concern exists that the EU will use the licensing mechanism to restrict or discourage trade. The United States had earlier suggested to the EU's Agricultural Commission that the validity period for the license be extended and that the up-front deposit be replaced with a penalty for nonperformance on licenses issued. The Commission, however, elected not to accept either recommendation. The new licensing requirements are expected to take effect September 1, 1996. U.S. exports of affected commodities to the EU in 1995 were valued at \$46 million, with apples (\$22.6 million), grapes (\$14.5 million), and pears (\$5.2 million) accounting for 92 percent of the total.

...Market Updates

South Africa Proposes To Curtail Corn Exports

The South African Government recently proposed to curtail private sector corn exports in an effort to increase supplies for local consumers. A high floor price offered to producers by the South African Maize Board resulted in a surplus of corn in the export pool, which created a shortage in the domestic market. The export proposal recommends that the Maize Board sell its excess stocks back onto the domestic market and that the issuance of export permits be halted. Private exporters have voiced strong opposition to the plan, expressing concern that a curtailment of exports might cut across contracts already made which would severely tarnish South Africa's reputation as a reliable supplier.

Morocco Destroys Indian Wheat

Morocco's Ministry of Agriculture announced plans to destroy two cargoes of Indian wheat, totaling 45,000 tons, after they were found to be contaminated with Karnal bunt. Morocco is the second country, following Turkey, which has refused to take Indian wheat shipments due to Karnal bunt. The Moroccan Government continues to accept U.S. wheat, but requires additional language on the USDA phytosanitary certificate stating that it originates in an area free of Karnal bunt.

Uganda Promotes Cotton Production

In an effort to attract foreign investment in large-scale cotton farming, the Ugandan Government is offering free land to investors. The Government will purchase the land to be distributed as an integral part of its overall plan to boost national cotton output to 1 million bales over the next four or five years. According to outgoing Trade and Industry Minister, Richard Kaijuka, investors with \$50 million qualify under the land distribution program. The Government reportedly has met with potential investors from Israel, Egypt, and South Africa. USDA estimates Ugandan cotton production in marketing year 1996/97 at 100,000 bales, up from 45,000 bales a year earlier. Ugandan cotton output has fallen dramatically since a record 445,000 bales was reached in 1965/66.

Canadian Grain Exports to U.S. Could Increase If CWB's Export Monopoly Ends

The Government of the province of Alberta introduced a plan, the Alberta Marketing Choice Program (AMCP), to provide its farmers a way to bypass the monopoly authority of the Canadian Wheat Board (CWB). This plan could result in increased exports of barley and wheat to the United States. The AMCP, which has been referred to the Alberta Court of Appeals for legal ruling, presumes that the Canadian Wheat Board Act does not apply to governments, and therefore, a provincial government may export grain on behalf of its farmers without obtaining a license from the CWB. Alberta, Canada's largest barley producing province, has been a long-standing advocate of giving farmers the choice of marketing their grain independently or through the CWB.

Additionally, the Canadian Western Grain Marketing Panel has proposed to remove feed barley from the CWB export monopoly. When the CWB's monopoly authority over barley was briefly removed in 1993, there was a surge (reported over a million tons) in feed barley sales into the United States as farmers opted for U.S. cash prices over the CWB pool pricing system. The Panel recommended that the CWB's monopoly be maintained for wheat and malting barley, and that feed barley be traded freely in both the domestic and export markets.

...Market Updates

Mexican Sorghum Imports Sourced From Argentina Instead of United States

Mexico turned to Argentina to supply its sorghum import requirements for the first time in four years. This was a response to extremely tight U.S. sorghum supplies. (The United States had the lowest season ending stocks in two decades.) Mexican importers reportedly purchased over 300,000 tons of Argentine sorghum. This sale accounts for nearly all of Argentina's exportable supplies. Mexico normally imports 1 to 3 million tons of sorghum annually, all from the United States.

Import Relief Petition on Mexican Tomatoes and Bell Peppers Terminated

The International Trade Commission (ITC) found on July 2 that imports of fresh tomatoes and bell peppers are not a substantial cause of serious injury or threat of serious injury to the U.S. winter vegetable industry. The finding terminates a Section 202 (Trade Act of 1974) import relief petition filed on March 11 by the Florida Department of Agriculture and Florida growers in response to rising imports from Mexico. U.S. import volumes of tomatoes and peppers from Mexico during October 1995-April 1996 rose 34 and 37 percent, respectively, over the year-earlier period to values of \$505 and \$188 million. Florida producer groups expressed extreme disappointment with the decision, noting that growers were looking for a positive signal to proceed with planting next season's crop. Mexican producers and trade representatives expressed relief that a potential trade restriction had been averted.

Meanwhile, a separate anti-dumping petition on tomatoes continues to be reviewed. The ITC issued a preliminary affirmative injury finding on May 16 and the Commerce Department is scheduled to make a preliminary finding on dumping on September 5.

Ecuador Lifts Ban on California and Florida Fruit

According to the Ministry of Agriculture's June 18, 1996, phytosanitary decree, Ecuador has lifted its ban on fruit imports from California and Florida. The new regulations provide for shipments, rather than production areas, to be certified free of codling moth and apple maggot. The decree also requires the exported fruit to have originated from areas free of Oriental Fruit Fly (OFF).

Ecuador implemented a total ban on U.S. fruit imports on November 15, 1995, following the detection of OFF in the United States. Ecuador agreed on December 1, 1995, to suspend the ban for Washington State fruit. On May 26, another decree was issued lifting the ban on fruit from California and Florida. However, this decree stipulated that imported fruit had to come from areas free of OFF, codling moth, and apple maggot. While USDA is able to certify areas free of OFF, it cannot do so for the other two insect pests. USDA proposed an amendment to Ecuador's May 26, decree requiring the exported fruit shipment to be free of codling moth and apple maggot, rather than the production area. U.S. fruit exports to Ecuador totaled \$3.5 million in 1995.

US Exports of Agricultural, Fish & Wood Products to All Countries

Calendar Years 1991 to 1996 and Year-to-Date Comparisons (\$1,000)

Product	Calendar Years					January-May		% Chg
	1991	1992	1993	1994	1995	1995	1996	
Bulk Agricultural Total	18,348,386	19,687,248	18,593,458	18,951,466	26,018,597	10,891,526	13,165,685	20.9%
Wheat	3,292,138	4,449,324	4,664,582	4,056,007	5,447,333	1,880,561	2,676,566	42.3%
Coarse Grains	5,722,597	5,736,599	5,000,598	4,731,925	8,152,928	2,997,271	4,428,443	47.7%
Rice	753,557	726,072	771,312	1,010,548	997,833	406,493	427,130	5.1%
Soybeans	3,956,443	4,380,402	4,598,746	4,330,427	5,400,038	2,372,944	2,952,935	24.4%
Cotton	2,491,999	2,010,338	1,540,678	2,676,263	3,713,889 *	2,198,192	1,709,245	-22.2%
Tobacco	1,427,631	1,650,559 *	1,306,067	1,302,745	1,399,863	688,787	643,450	-6.6%
Pulses	268,414	191,656	213,254	280,649	264,153	96,318	93,031	-3.4%
Peanuts	180,304	240,308	204,576	187,552	266,243	106,321	91,526	-13.9%
Other Bulk Commodities	255,304	301,989	293,645	375,352	376,318	144,639	143,359	-0.9%
Intermediate Agricultural Total	8,789,224	9,231,134	8,973,466	9,749,696	10,992,075 *	4,885,449	4,642,804	-5.0%
Wheat Flour	184,256	184,317	205,729	211,248	236,368	117,619	52,650	-55.2%
Soybean Meal	1,155,307	1,294,722	1,132,041	958,920	1,074,516	512,068	597,819	16.7%
Soybean Oil	222,126	376,202	363,897	525,077	694,080	454,683	130,274	-71.3%
Other Vegetable Oils	418,144	502,732	543,897	671,187	921,440 *	400,123	386,638	-3.4%
Feeds & Fodders (excl. pet foods)	1,605,732	1,722,327	1,744,163	1,738,454	1,902,403 *	790,520	884,730	11.9%
Live Animals	686,563 *	607,891	518,927	587,352	519,242	166,336	176,839	6.3%
Hides & Skins	1,357,570	1,326,054	1,268,658	1,507,616	1,727,629	744,055	702,464	-5.6%
Animal Fats	426,824	515,214	501,702	598,546	788,703 *	356,861	281,266	-21.2%
Planting Seeds	671,655	675,011 *	619,359	648,614	666,360	316,965	344,118	8.6%
Sugars, Sweeteners & Bever. Bases	634,101	573,921	567,807	656,761	629,634	276,233	275,030	-0.4%
Other Intermediate Products	1,426,946	1,452,744	1,507,288	1,645,921	1,831,699 *	749,986	810,976	8.1%
Consumer-Oriented Agricultural Total	11,967,920	13,895,994	14,911,316	16,988,134	18,787,618 *	7,280,767	8,223,329	12.9%
Snack Foods (excluding nuts)	633,040	829,679	1,024,643	1,101,668 *	1,049,207	386,236	446,223	15.5%
Breakfast Cereals & Pancake Mix	216,802	219,762	252,993	291,979 *	275,239	105,824	130,246	23.1%
Red Meats, Chilled/Frozen	2,660,267	3,112,361	3,055,222	3,383,394	4,162,666 *	1,574,916	1,967,279	24.9%
Red Meats, Prepared/Preserved	165,101	181,562	220,038	253,621	283,988 *	99,203	139,238	40.4%
Poultry Meat	817,913	928,464	1,100,613	1,570,414	2,025,713 *	745,520	940,493	26.2%
Dairy Products	462,956	793,754	857,487 *	753,257	796,750	319,779	320,222	0.1%
Eggs & Products	143,367	139,234	139,438	164,653	170,719	63,702	84,176	32.1%
Fresh Fruit	1,561,053	1,683,344	1,707,147	1,953,767	1,972,864 *	750,706	772,695	2.9%
Fresh Vegetables	832,935	899,624	985,953	1,046,789	1,068,572 *	537,169	449,236	-16.4%
Processed Fruit & Vegetables	1,394,490	1,558,121	1,639,583	1,720,891	1,906,561 *	770,417	766,184	-0.5%
Fruit & Vegetable Juices	385,414	461,017	469,517	543,013	659,043 *	275,954	287,187	4.1%
Tree Nuts	867,704	928,531	998,246	1,106,416	1,169,129 *	372,711	448,226	20.3%
Wine and Beer	315,756	369,181	379,301	532,735	648,681 *	237,707	263,298	10.8%
Nursery Products & Cut Flowers	201,442	201,321	209,397 *	197,985	193,300	96,204	102,081	6.1%
Pet Foods, Dog/Cat	329,772	399,630	497,621	577,943	630,237 *	254,157	276,177	8.7%
Other Consumer-Oriented Products	979,907	1,190,410	1,374,116	1,789,607 *	1,774,949	690,562	830,366	20.2%
Wood Products Total	6,429,179	6,741,685	7,281,313 *	7,085,787	7,245,897	3,147,663	2,976,589	-5.4%
Logs	2,074,432	2,140,010	2,489,560 *	2,277,981	2,287,347	1,043,071	844,178	-19.1%
Lumber	2,203,353	2,322,491	2,449,643 *	2,428,150	2,411,741	1,073,639	994,848	-7.3%
Plywood & Panel Products	735,227	847,867	906,397	944,360	996,592 *	434,854	415,833	-4.4%
Other Wood Products	1,416,167	1,431,317	1,435,714	1,435,297	1,550,217 *	596,100	721,731	21.1%
Fish & Seafood Products Total (Edible)	3,035,383	3,353,935	2,959,086	3,002,265	3,138,220	1,209,369	1,103,881	-8.7%
Salmon, Whole/Eviscerated	436,975	681,663	583,060	518,413	545,283	44,969	41,144	-8.5%
Salmon, Canned	133,644	154,401	160,416	161,577	174,946 *	59,651	48,650	-18.4%
Crab & Crabmeat	431,411	448,050 *	417,660	349,136	209,070	131,365	91,901	-30.0%
Surimi (fish paste)	N/A	367,627 *	274,322	318,850	353,433	175,499	108,356	-38.3%
Roe & Urchin	389,031	421,396	415,319	408,963	505,873 *	245,879	249,867	1.6%
Other Edible Fish & Seafood Products	1,644,322 *	1,280,798	1,108,309	1,245,325	1,349,614	552,006	563,962	2.2%
Agricultural Product Total	39,105,530	42,814,376	42,478,240	45,689,296	55,798,290 *	23,057,742	26,031,818	12.9%
Agricultural, Fish & Wood Product Total	48,570,092	52,909,996	52,718,639	55,777,348	66,182,407 *	27,414,774	30,112,288	9.8%

Note: (*) Highest export level since at least 1970; N/A = not available; NA = not applicable.

U.S. Exports of Agricultural, Fish & Forest Products by Major Group

Monthly and Annual Performance Indicators

Export Values	May			October-May			Fiscal Year		
	1995	1996		FY '95	FY '96		1995	1996(f)	
	-- \$Billion --		Chg	-- \$Billion --		Chg	--- \$Billion ---		Chg
Grains and Feeds 1/	1.400	1.839	31%	11.223	14.767	32%	17.637	22.0	25%
Wheat & Flour	0.336	0.487	45%	3.250	4.464	37%	5.201	6.9	33%
Rice	0.078	0.067	-14%	0.735	0.703	-4%	1.050	1.1	5%
Coarse Grains 2/	0.684	0.933	36%	4.574	6.746	48%	7.411	9.5	28%
Corn	0.603	0.877	46%	4.050	6.081	50%	6.619	8.6	30%
Feeds & Fodders	0.186	0.213	15%	1.680	1.818	8%	2.511	2.9	15%
Oilseeds and Products	0.527	0.594	13%	6.819	7.133	5%	9.119	9.4	3%
Soybeans	0.279	0.346	24%	4.032	4.737	18%	5.274	6.1	16%
Soybean Cakes & Meals	0.070	0.103	47%	0.788	0.869	10%	1.079	1.1	2%
Soybean Oil	0.029	0.018	-36%	0.675	0.236	-65%	0.809	0.4	-51%
Other Vegetable Oils	0.066	0.049	-26%	0.626	0.616	-2%	0.918	N/A	N/A
Livestock Products	0.697	0.753	8%	5.116	5.663	11%	7.845	8.6	10%
Beef, Pork & Variety Meats	0.373	0.426	14%	2.533	3.096	22%	4.038	4.7	16%
Hides, Skins & Furs	0.152	0.165	8%	1.142	1.115	-2%	1.738	1.6	-8%
Poultry Products	0.178	0.239	34%	1.452	1.796	24%	2.210	2.7	22%
Poultry Meat	0.146	0.201	38%	1.219	1.546	27%	1.867	N/A	N/A
Dairy Products	0.073	0.071	-4%	0.508	0.496	-2%	0.789	0.8	1%
Unmanufactured Tobacco	0.098	0.110	12%	1.052	1.078	2%	1.329	1.5	13%
Cotton and Linters	0.291	0.135	-54%	2.953	2.681	-9%	3.496	3.0	-14%
Planting Seeds	0.039	0.034	-14%	0.532	0.547	3%	0.680	0.7	3%
Horticultural Products	0.768	0.822	7%	6.152	6.260	2%	9.110	9.4	3%
Sugar & Tropical Products	0.158	0.182	16%	1.305	1.321	1%	1.940	1.9	-2%
Forest Products 4/	0.632	0.633	0%	4.958	4.698	-5%	7.274	N/A	N/A
Fish and Seafood Products 4/	0.239	0.214	-10%	1.871	1.732	-7%	3.172	N/A	N/A
Total Agriculture	4.230	4.780	13%	37.112	41.740	12%	54.141	60.0	11%
Total Ag., Fish & Forest	5.101	5.627	10%	43.942	48.170	10%	64.587	N/A	N/A

Export Volumes	--- MMT---			--- MMT---			--- MMT---		
			Chg			Chg			Chg
Grains and Feeds 1/	9.519	8.761	-8%	77.703	78.368	1%	118.626	N/A	N/A
Wheat	2.042	2.131	4%	20.774	21.401	3%	32.094	32.0	-0%
Wheat Flour	0.117	0.035	-70%	0.839	0.301	-64%	1.184	0.5	-58%
Rice	0.293	0.204	-30%	2.718	2.023	-26%	3.767	3.0	-20%
Coarse Grains 2/	5.973	5.304	-11%	42.689	44.345	4%	65.670	61.4	-7%
Corn	5.250	5.006	-5%	37.828	40.110	6%	58.645	55.5	-5%
Feeds & Fodders	0.893	0.865	-3%	9.039	8.634	-4%	13.483	13.5	0%
Oilseeds and Products	1.939	1.737	-10%	26.010	23.198	-11%	34.050	30.1	-12%
Soybeans	1.231	1.145	-7%	18.299	17.147	-6%	23.584	22.0	-7%
Soybean Cakes & Meals	0.418	0.400	-4%	4.480	3.766	-16%	6.094	4.9	-20%
Soybean Oil	0.041	0.029	-30%	1.016	0.392	-61%	1.216	0.7	-42%
Other Vegetable Oils	0.090	0.062	-31%	0.873	0.851	-3%	1.281	N/A	N/A
Livestock Products 3/	0.364	0.542	49%	2.450	2.762	13%	3.703	N/A	N/A
Beef, Pork & Variety Meats	0.111	0.141	27%	0.792	0.983	24%	1.256	1.5	19%
Poultry Products 3/	0.153	0.212	39%	1.262	1.581	25%	1.943	N/A	N/A
Poultry Meat	0.149	0.207	39%	1.232	1.549	26%	1.901	2.3	21%
Dairy Products 3/	0.042	0.038	-11%	0.276	0.325	18%	0.440	N/A	N/A
Unmanufactured Tobacco	0.014	0.021	50%	0.156	0.168	8%	0.197	N/A	N/A
Cotton & Linters	0.154	0.082	-47%	1.766	1.501	-15%	2.068	1.7	-18%
Planting Seeds	0.060	0.033	-45%	0.354	0.447	26%	0.541	N/A	N/A
Horticultural Products 3/	0.607	0.614	1%	4.822	4.789	-1%	7.001	7.2	3%
Sugar & Tropical Products 3/	0.094	0.100	7%	0.713	0.746	5%	1.104	N/A	N/A
Total Agriculture 3/	12.946	12.141	-6%	115.511	113.885	-1%	169.674	160.4	-5%

Notes: 1/ Includes pulses, corn gluten feed and meal; 2/ Includes corn, oats, barley, rye and sorghum; 3/ includes only those items measured in metric tons; 4/ items not included in agricultural product totals. N/A = not available.

FY 1996 forecasts (f) are based on USDA's "Outlook for Agricultural Exports," published May 30, 1996.

U.S. Agricultural Export Value by Region

Monthly and Annual Performance Indicators

	May			October-May			Fiscal Year		
	1995 -- \$Billion --	1996 -- \$Billion --	Chg	FY '95 -- \$Billion --	FY '96 -- \$Billion --	Chg	1995 -- \$Billion --	1996(f) -- \$Billion --	Chg
Western Europe	0.531	0.621	17%	6.425	6.912	8%	8.606	9.4	9%
European Union 1/	0.511	0.599	17%	6.182	6.666	8%	8.256	9.0	9%
Other Western Europe	0.019	0.022	16%	0.243	0.246	1%	0.350	0.4	14%
Central & Eastern Europe	0.014	0.046	225%	0.213	0.293	38%	0.283	0.3	6%
Former Soviet Union	0.083	0.132	58%	0.760	1.139	50%	1.158	1.6	38%
Russian Federation	0.067	0.107	60%	0.606	0.836	38%	0.911	1.3	43%
Asia	2.018	2.196	9%	16.140	18.419	14%	23.979	27.6	15%
Japan	0.961	1.134	18%	6.867	8.244	20%	10.447	12.0	15%
China	0.177	0.103	-42%	1.745	1.437	-18%	2.413	2.5	4%
Other East Asia	0.648	0.704	9%	5.031	5.616	12%	7.562	8.3	10%
Taiwan	0.244	0.275	13%	1.710	1.959	15%	2.552	2.8	10%
South Korea	0.298	0.301	1%	2.353	2.618	11%	3.576	4.0	12%
Hong Kong	0.105	0.129	22%	0.964	1.039	8%	1.425	1.5	5%
Other Asia	0.232	0.254	10%	2.498	3.122	25%	3.558	4.8	35%
Pakistan	0.023	0.001	-95%	0.339	0.292	-14%	0.389	0.4	3%
Philippines	0.050	0.082	63%	0.435	0.608	40%	0.675	0.9	33%
Middle East	0.173	0.145	-17%	1.632	1.828	12%	2.404	2.7	12%
Israel	0.037	0.051	40%	0.289	0.429	48%	0.452	0.6	33%
Saudi Arabia	0.035	0.018	-50%	0.330	0.414	25%	0.479	0.6	25%
Africa	0.212	0.152	-28%	1.957	1.992	2%	2.806	3.2	14%
North Africa	0.131	0.074	-43%	1.411	1.370	-3%	1.972	2.3	17%
Egypt	0.078	0.049	-37%	0.903	0.928	3%	1.294	1.4	8%
Algeria	0.043	0.016	-63%	0.333	0.216	-35%	0.440	0.4	-9%
Sub-Saharan Africa	0.081	0.077	-5%	0.547	0.622	14%	0.833	1.0	20%
Latin America	0.597	0.857	43%	5.453	6.517	20%	8.101	8.9	10%
Mexico	0.284	0.482	70%	2.479	3.303	33%	3.700	4.4	19%
Other Latin America	0.314	0.375	20%	2.974	3.213	8%	4.401	4.5	2%
Brazil	0.026	0.020	-22%	0.524	0.325	-38%	0.638	0.4	-37%
Venezuela	0.040	0.059	48%	0.330	0.306	-7%	0.493	0.4	-19%
Canada	0.531	0.519	-2%	3.906	3.860	-1%	5.830	5.9	1%
Oceania	0.037	0.031	-16%	0.399	0.304	-24%	0.563	0.4	-29%
World Total	4.229	4.779	13%	37.104	41.733	12%	54.143	60.0	11%

Note: 1/ EU-15 includes the newest member states of Austria, Finland and Sweden.

FY 1996 forecasts (f) are based on USDA's "Outlook for U.S. Agricultural Exports," published May 30, 1996.

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